



MEMORANDUM ORDER
NO. 36
SERIES OF 2023

TO : ALL HEADS OF OFFICES / PROCUREMENT COORDINATORS
SUBJECT : GUIDELINES ON PREPARATION OF REQUESTS FOR LEASE OF VENUE

I. BACKGROUND

The current maximum Approved Budget for the Contract (ABC) being used by this Department for Lease of Venue Contracts with full board meals and accommodation is PhP2,200.00 daily per person for NCR, Region IV-A, and Region IV-B (based on **Memorandum Order No. 14, Series of 2022**). For all other regions, the maximum ABC is set at PhP1,800.00 (based on **Administrative Order No. 12, Series of 2019**).

However, in recent canvassing it was found that hotel accommodation and venue prices all over the country have significantly increased. As the current ABC is already deemed insufficient for the hotels to accommodate the events of this Department, it is imperative that the ABC for Lease of Venue contracts shall be also increased.

Acting with prudence, this uniform set of guidelines on the preparation of requests for lease of venue for compliance of all operating units under this Department is hereby issued as follows:

II. LEGAL AND FACTUAL BASIS

The Annex "H" of the 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act provides the policy considerations in setting the ABC for Lease of Venue contracts, to wit:

"b) Policy Considerations

i. Publicly-owned vis-a-vis privately-owned real property and venue

It is preferred that government agencies lease publicly-owned real property or venue from other government agencies. If there is an available publicly-owned real property or venue that complies with the requirements of the Procuring Entity, it may enter into a contract of lease with the government-agency owner. In the event that the Procuring Entity would resort to privately owned real property or venue, the End-User unit shall justify that the same is more efficient and economical to the government.

ii. Location

The location of the real property or venue to be leased should have been meticulously selected by the Procuring Entity after taking into consideration, among others, the need for prudence and economy in government service and the suitability of the area in relation to the mandate of the office, and its accessibility to its clients. In the lease of venue, other factors such as the nature of the event or the level of security in the proposed location may also be taken into account.

iii. ABC and rental rates

The ABC shall be set using the midpoint of the range obtained from the results of the market analysis on the prevailing lease rates for real property or venue within the vicinity of the selected location complying with the criteria and technical specifications

of the End-User Unit. In no case shall the rental rates, including additional expenses, such as association dues in the case of lease of real property, exceed the ABC.

As a general rule, rental rates are considered reasonable when they represent or approximate the value of what the Lessee gets in terms of accommodation, facility, amenities, and convenience from the leased real property or venue, and the Lessor gets an equitable return of capital or investment."

In the most recent Market Survey involving three (3) star and four (4) star hotels around the country, it was found that PhP2,400.00 is a reasonable daily rate for contracts for lease of venue with full-board meals and accommodation.

III. SCOPE/COVERAGE

This Memorandum Order shall apply to all offices in the DA-Central Office, Regional Field Offices (RFOs), and Bureaus.

IV. GUIDELINES

All end-users are hereby directed to:

1. Prefer the services of government-owned venues. In the event that government venues are not available, or when said venues could not provide the requirements of the end-user, the services of privately-owned venues may be resorted to. In such a case, the end-user must submit a **Justification** clearly explaining the following:
 - a. the need to conduct the event in the chosen area/location;
i.e.: conduct of the office activity outside office premises for specific reasons
 - b. the reason why resorting to a privately-owned venue would be more efficient and economical to the government; and
- Three (3) Certificates of Unavailability of Facilities from government entities providing venue and accommodation services situated in the vicinity where the activity is to be conducted shall be included as a necessary attachment to the Justification.
2. Set the ABC using the midpoint of prevailing lease rates within the vicinity of the chosen area/location. However, in no case that the ABC shall exceed the amount of **Two Thousand Four Hundred Pesos (PhP2,400.00) daily budget per person**. Despite the set price, all awards shall be issued to bidders with the lowest calculated and responsive bids as recommended by the Bids and Awards Committee in compliance with the 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act.

V. REPEALING CLAUSE

This Memorandum Order repeals both Administrative Order No. 12, Series of 2019 and Memorandum Order No. 14, Series of 2022.

This Order shall take effect immediately upon publication in the official website of DA and shall remain valid unless expressly repealed by another issuance.

Done this 25th of May, 2023.

DOMINGO F. PANGANIBAN
Senior Undersecretary



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